



Global Market Report

April 2018
Volume 9, Issue No. 4

**Ciatti Global Wine
& Grape Brokers**

1101 Fifth Avenue #170
San Rafael, CA 94901
Phone (415) 458-5150



Photo: Ciatti.com

April 2018

Volume 9, Issue No. 4

- 3 California
- 5 Argentina
- 6 Chile
- 8 France
- 10 ProWein Review
- 12 Spain
- 13 Italy
- 14 Chengdu Review
- 15 South Africa
- 17 Australia
- 17 New Zealand
- 20 USD Pricing
- 22 Contacts

Please see Florian Ceschi
at VinItaly



Florian Ceschi
T. +33682763912
E. Florian@ciatti.fr

No part of this publication may be reproduced or transmitted in any form by any means without the written permission of Ciatti Company.

ProWein in Düsseldorf on 18-20 March was busier than ever and you can read more about the show in this month's report. Much of the talk there and since has been about the fate of the 2018 Southern Hemisphere harvests: will they alleviate, from a buyer's standpoint, the balanced market and help soften up global pricing? The picture is mixed.

Argentina is back in business: its harvest is not quite complete but all the signs are that the forecast of 2.2-2.3 million metric tons of wine grapes is about right, with quality excellent following highly conducive weather in the vineyards since February. With this good harvest, a 20% devaluation in the peso in the past few months and – for now – a quiet domestic market, Argentina will look attractive again not just for Malbec but competitively-priced, significant volumes of 2018 generics and 2017 generic red carryover.

The picture on Chile's harvest is less clear; growers have had to contend with some heavy rain and dewy mornings. Unusually low inventory and the high price of 2018 grapes mean this year's bigger harvest will not be a price-mover like Argentina's. South Africa's harvest, meanwhile, has been constrained by the longstanding drought in the Western Cape, extent unknown. Many suppliers are waiting to see where the harvest ends up before responding to the requests that have been flooding in from buyers. Australia's 2018 harvest will be down around 10% from its big 2017 crop; wet weather has put an end to chances of a bumper New Zealand crop, though it will still be up on 2017's.

Argentina's re-discovered competitiveness on generics and grape juice concentrate might help rein-in Spain's pricing. Another downward pressure on prices in Europe is climate: March was cold but so was February, keeping early bud-break in check. Frost damage is reportedly minimal in France, Italy and Spain, while the rain and snow has helped replenish water reserves. Thus, prices in Europe have been able to enter their traditional period of stability at this time of year. Availability varies depending on what's required.

Check out this month's California page for Ciatti's take on the recent Chinese hike in import tariffs on US wine. This month's report also includes a review of Ciatti's visit to the China Food & Drink Fair in Chengdu, 22-24 March. This fair – fancy dress and counterfeit products et al – may appear eccentric to westerners but it receives reportedly six times as many visitors as ProWein, and four of its halls are now given over to wine.

The European show season, meanwhile, moves on to Verona for Vinitaly, 15-18 April. Ciatti Europe's Florian Ceschi will be in attendance: should you have any needs please feel free to contact Florian via cell phone, +33682763912, or email: florian@ciatti.fr.

Robert Selby



California

Time on target

HARVEST WATCH: *Wet March kept premature bud-break in check*

California received late season rain through March which did an excellent job of replenishing water reserves. Although the winter overall will probably go down as being drier than average, the late timing of the rain has been advantageous not only in ensuring water availability during the growing season but also in slowing development of the vines so their exposure to frost risk is reduced. Bud-break at one stage was looking 2-3 weeks early, but the rain has helped normalize timings. This March was the fourth snowiest in Sierra Nevada since 1980, boosting the snowpack there to 93% of the average, boding well for the Central Valley growing areas that draw upon this resource.

The slightly bigger 2017 harvest in the south Central Valley, combined with a weaker dollar and the tight supply globally, should make California of more interest to some international buyers. (The US dollar is currently at approximately EUR0.80, down from EUR0.95 a year ago, and at approximately GBP0.70, down from GBP0.80.) California's exports are proceeding at a normal level but in recent weeks there has been some increased interest from Europe – including the UK and Germany – and from established Asian markets such as Japan. The main attraction is generic reds and Zinfandel rosés.

Ciatti has been fielding concerns regarding the so-called “trade war” between the US and China and its impact on US wine. In retaliation to the US upping import tariffs on foreign steel and aluminium in March, China increased its tariffs on 128 US imports – including wine. From 2 April China's import tariff on US wine has risen from 14% to 29%, an increase of 15%. US wines will thus be subject to a total tax levy of 67.7%, up from 48.2%.

This 15% rise in tariffs is not going to help sales but, in the grand scheme of things, the US wine industry's exposure to any US-China trade war is limited: US wine business with China is minute compared to countries like France, Australia and Chile which have made far greater strides in China than the US has. Export volumes to China from the US actually declined in recent years, from 16.1 million litres in 2014 to 14.2 million in 2017. Total US wine exports to China were reportedly worth USD79 million at the last count, a fraction of the USD34 billion Californian enterprise. In general, US wine is too expensive to attract big Chinese customers and does not have the aid of free trade agreements like product from Australia, New Zealand and Chile does. As such, much of the US wine available on the Chinese market is at a price point at which import tariffs – although high – will have limited deterrence.

Meanwhile, the US market remains a leading target market for sales companies. Total US wine consumption is approximately 370-400 million cases per year, and growing at 1-2% off this huge base. California is not planting enough to meet this growth in consumption, opening the door to imports.

Activity remains slow on California's domestic bulk wine and grape market. Prices are high and purchasing continues in small increments, with some traditional buyers instead looking to sell at this time. Some varietals are in more demand than others but, overall, California's bulk wine inventory is the biggest it has been since 2015. With buying activity on the quiet side, Ciatti deems it wise for grape/bulk wine suppliers to take advantage of the buying activity that does arise and close deals that they feel provide a reasonable return, not get caught up in speculation on where the market will trend.

See next page for more on California.

Key Takeaways

California has supply of Zinfandel rosé and generics – particularly reds – which, helped by the weaker US dollar, are competitively priced for international buyers. The domestic market is slow: there are opportunities for buyers on bulk Napa Valley Cabernet, long-term Coastal Cabernet commitments, and reds such as Cabernet and Merlot in general. On grapes, there are opportunities on Sonoma County Chardonnay and premium Zinfandel. With slow buying activity, suppliers should carefully consider any offers they do receive.

Ciatti Contacts

Import/Export

CEO – Greg Livengood
Steve Dorfman
T. +415 458-5150
E. greg@ciatti.com
E. steve@ciatti.com

Domestic

T. +415 458-5150
John Ciatti – john@ciatti.com
Glenn Proctor – glenn@ciatti.com
John White – johnw@ciatti.com
Chris Welch – chris@ciatti.com



California: Current Export Market Pricing (USD per liter)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2017	Generic White	0.85 – 0.99	↔	2017	Generic Red	0.85 – 1.05	↔
2017	Chardonnay	1.05 – 2.11	↑	2016/17	Cabernet Sauvignon	1.05 – 2.11	↓
2017	Pinot Grigio	1.19 – 1.72	↔	2017	Merlot	1.05 – 1.58	↔
2017	Muscat	1.05 – 1.32	↔	2017	Pinot Noir	1.85 – 2.25	↑
2017	White Zinfandel	0.79 – 0.99	↔	2017	Syrah	1.10 – 1.58	↔
2017	Colombard	0.86 – 1.12	↔	2017	Ruby Cabernet	0.95 – 1.05	↔
				2016/17	Zinfandel	1.15 – 2.11	↔

Argentina

Time on target



HARVEST WATCH: *On course for 2.2-2.3 million metric tons; quality excellent*

The main body of Argentina's harvest is now winding down, with only the high quality areas still harvesting through to the end of April. As of April 8th, some 1.99 million metric tons of wine grapes had been harvested compared to 1.80 million MT as of the same date last year. Where last year the harvest was almost over by that date, this year truckloads of grapes have continued to arrive into the wineries in the days since: the crop remains on track to meet the government's official forecast of 2.2-2.3 million MT.

A very good February and March weather-wise, with warm days and cool nights, and no rain in the last 30 days, has meant excellent sanitary conditions in Mendoza's vineyards: the result is grapes of fantastic quality, with excellent ripeness and maturity, and good sugar levels that will lead to wines of 13-14% alcohol. Winemakers are very happy. The good sugar levels will please the grape juice concentrate market in particular: GJC prices in Argentina have dropped by approximately USD50/MT in the past month, from USD1,500-1,550/MT to USD1,400-1,450/MT.

The good 2018 harvest and the devaluation of the Argentine peso – now at around 20 pesos to the US dollar, down 20% from 16.5 pesos to the dollar a year ago – will make Argentine prices much more attractive on the international market. Already there is big interest from Russian, European and African buyers, seeking to buy what they cannot source in France and Spain due to cost/availability issues there. Argentina expects to receive a lot of offers and a lot of deals in the next month – and not just for Malbec.

Argentina will be able to offer attractively-priced, significant volumes of generic reds and whites, one of the few supplier countries able to do so right now. Generic whites will be at around USD0.45-0.50/litre, reds at around USD0.65/litre – this is particularly competitive on the reds, even when taking duties and freight into account. The competitive price on reds is aided by low demand from domestic buyers who see the 2018 harvest coming in in good shape, have their own raw materials and are covered for the next few months. Thus now is the time for international buyers to move onto the market and cover their needs.

Syrah, Cabernet and Malbec should all be cheaper than they were last year: Malbec is currently at USD1.40/litre but could be at USD1.30/litre once the harvest is complete and a clear assessment can be made. Cabernet will remain higher-priced than the other reds because of the short crops in the past two years, but the others – such as Merlot, Syrah and Bonarda – are at around USD0.90/litre, down from where they were. The 2018 wines will be officially released by the authorities on 1 June.

Carryover this year represents perhaps six months' worth of export stock, up from the usual 3-4; this equates to 150-200 million litres more of carryover than in an average year. Thus there is availability should buyers desire it. Most of the carryover is red wine, as whites have been in demand, went into GJC and were blended with reds to boost red volumes.

The market is also closely watching the weather in the Northern Hemisphere – the possibility of smaller European harvests could bring further business to Argentina, applying fresh pressure on prices. International buyers of generics are thus encouraged to take a position in Argentina now. Buyers of Malbec can afford to hold off until the harvest finishes.

See next page for pricing.

Key Takeaways

With a 2018 harvest excellent in size and quality, a 20% devaluation of the peso in the past year and a quiet domestic market, Argentina is back in business with competitively-priced, significant volumes of 2018 generics and 2017 generic red carryover. Buyers of generics should move now before demand places any new upward pressure on prices. Malbec is at USD1.40/litre and likely to soften once the 2018 harvest is complete and the picture is clear.

Ciatti Contact

Eduardo Conill
T. +54 261 420 3434
E. eduardo@ciatti.com.ar

Argentina: Current Market Pricing (USD per liter; FCA Winery)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2017	Generic White	0.45 – 0.55	↓	2017	Generic Red	0.62 – 0.70	↓
2017	Torrontes	0.55 – 0.65	↓	2017	Cabernet Sauvignon	1.30 – 1.50	↓
2017	Chardonnay	1.00 – 1.20	↓	2017	Syrah	0.85 – 0.95	↓
2017	Bonarda	0.85 – 0.95	↓	2017	Malbec	1.30 – 1.40	↓
2017	Tempranillo	0.85 – 0.95	↓	2017	Malbec Premium	1.80 – 2.50	↓

Chile

Time on target

HARVEST WATCH: *Wet conditions forcing the pace*

Although the rain forecast for 17-18 March was not as heavy as feared, March brought some rainy weather and dewy mornings to Chile's growing areas. Growers have been harvesting as fast as they can, particularly with more rain forecast. Space in the wineries due to low inventory, together with the climatic conditions, has ensured the harvest is proceeding quickly and should be complete by May. The less conducive conditions than hoped-for have likely stopped the harvest size from meeting the upper end of expectations: it is perhaps on course for just shy of 1.1 billion litres. Quality looks excellent.

The Sauvignon Blanc harvest is mainly complete: in Valle Central it looks to have come in in similar quantities to last year, with average-plus quality, while the Sauvignon Blanc from the cool climate areas looks to have come in perhaps 5% up. Blending of the two will mean that, overall, Chilean Sauvignon Blanc is going to possess excellent, more premium attributes this year.

The Merlot harvest is about 50% complete and, as ever with this sensitive varietal, looks to have been affected by the climate: its yield might be in-line with last year. Merlot's struggles have raised some concern about Cabernet, which is yet to be harvested. Syrah, too, seems to be coming in shorter than originally expected.

See next page for more on Chile.

There are very few batches of 2017 wines available; some industry veterans suggest they have not seen Chilean inventory as low as this, at this stage, ever before. This low inventory, combined with the global situation, has meant the cheapest price for 2018 grapes was CLP300/kg, or USD0.50/kg – again, Chilean veterans believe these are the highest grape prices they’ve ever seen. This will translate into high 2018 wine prices which, in Ciatti’s view, are unlikely to fall before the end of the calendar year.

Chile is receiving strong demand from domestic players – who need to buy wines regardless of the high price because their sales are strong (for all quality levels). Perhaps 50% of European clients have committed; the other 50% are, like US and Canadian buyers, holding off to see if prices will soften. There is an expectation in some quarters that a big 2018 Northern Hemisphere harvest will oblige Chile to lower its prices, but will that big harvest happen?

Longer term there is an expectation in Chile that its 2019 grapes will be lower-priced than this year’s, so too the wines. There is recognition that current pricing levels are slowing down sales and, in turn, Chile is likely to go into its 2019 harvest with bigger carryover stock than this time.

Key Takeaways

The 2018 harvest is likely to come in at approximately 1.1 billion litres, back to a more normal size after short crops in the past couple of years. However, this is not expected to soften prices in Chile, with 2017 carryover stock minimal, 2018 grape pricing very firm and strong demand from China and domestically.

Ciatti Contact

Marco Adam
T. +56 2 2363 9206 – or –
T. +56 2 2363 9207
E. madam@ciattichile.cl

Chile: Current Market Pricing (Pricing in bulk; FOB Chilean Port)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Generic White	0.70 – 0.85	↑	NV	Generic Red	0.70 – 0.85	↔
2018	Chardonnay	1.15 – 1.25	↔	2018	Cabernet Sauvignon (Basic)	1.10 – 1.20	↔
2018	Sauvignon Blanc	1.15 – 1.20	↔	2018	Cabernet Sauvignon (Varietal Plus)	1.25 – 1.35	↔
2018	Syrah	1.10 – 1.20	↔	2018	Merlot	1.15 – 1.25	↔
2018	Carmenere	1.30 – 1.45	↔	2018	Malbec (Basic)	1.25 – 1.40	↔
2018	Pinot Noir	1.25 – 1.40	↔	2018	Malbec (Varietal Plus)	1.60 – 2.00	↔

Chilean Export Figures

Wine Export Figures	January 2016 - February 2017			January 2017 - February 2018			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	73,25	227,14	3,10	76,34	246,17	3,22	4,21
Bulk	73,94	58,90	0,80	61,53	61,43	1,00	-16,78
Sparkling Wines	0,79	3,17	4,04	0,50	2,36	4,68	-35,85
Packed Wines	4,37	7,38	1,69	4,18	7,55	1,81	-4,40
Total	152,35	296,59	2,41	142,56	317,51	2,68	-6,43



France

Time on target

HARVEST WATCH: *Water reserves replenished; bud-break late*

France's southern growing areas experienced mixed weather in the second half of March into April, with some days of rain and some of warm sunshine. In general, complaints about the lack of precipitation dissipated as the winter wore on; vineyards have by now received plenty of water, and in some cases muddy ground has complicated traditional springtime work in the vineyards. The cold, snowy weather in February and the start of March postponed bud-break; the early budding varieties such as Muscat are underway now.

The market in France is unchanged from last month: buyers requiring big volumes should focus on non-vintage wines; buying requiring only small batches – a truckload here or there – of vintage 2017 wines should be available. Pricing in France on IGP and Vin de France wines continues to be stable and – due to price rises elsewhere in the world, such as in Spain – relatively competitive. But inventory is balanced so there is no downward pressure on prices either, and prices are not expected to soften when the 2018 vintage comes on-line. As a result, buyers are not waiting to see what the new harvest will bring, and activity is steady.

Big batches of southern French rosé cannot be found on the first-hand market. Buyers must now contend with rosé from the bulk negociants at EUR1.15-1.20/litre. French buyers of South African Cinsaut rosé are being frustrated by the lack of offers coming out of the Western Cape due to the drought situation there:

these buyers need to know whether or not they can continue their South African Cinsaut rosé lines, and, if not, what the viable alternatives are. The buying campaign for 2017 French organic wines is over: some AOP Languedoc reds are around, but only in very small batches, perhaps less than a truckload each.

At ProWein, the feedback from many French suppliers was frustration that they didn't have enough wine to sell as bulk this time. Overall, though, there remain good opportunities to be had on France's Vin de France varietal wines, often priced pretty much the same as in Spain.

Key Takeaways

Bud-break is occurring late in the growing regions due to the cold spells in February and March. Market activity is steady and prices in France continue to be stable: there is no expectation of prices softening for the foreseeable. Buyers should thus not wait to secure what they need. Vintage 2017 Vin de France varietal wines are in short supply and only small demands can be met; buyers seeking big batches must accept non-vintage wines which are priced very competitively with Spain's. The buying campaigns on the first-hand markets for France's 2017 organic wines, and 2017 southern French rosé wines, are essentially over.

Ciatti Contact

Florian Ceschi
T. +33 4 67 913532
E. Florian@ciatti.fr

See next page for pricing.

France: Current Market Pricing (EUR per liter; Ex-Winery)							
Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2017	Generic White	0.75 – 0.80	↑	2017	Varietal Rosé IGP	0.95 – 1.50	↑
2017	Chardonnay IGP	1.00 – 1.20	↔	NV	Generic Red	0.70 – 0.75	↑
2017	Chardonnay VDF	0.95– 1.05	↔	2017	Generic Red	0.77 – 0.85	↑
2017	Sauvignon Blanc IGP	0.95 – 1.05	↔	2017	Cabernet Sauvignon IGP	0.95 – 1.30	↑
2017	Sauvignon Blanc VDF	0.90 – 1.00	↔	2017	Cabernet Sauvignon VDF	0.90 – 0.95	↑
2017	Generic Rosé IGP	0.90 – 1.10	↑	2017	Merlot IGP	0.90 – 1.20	↑
2017	Generic Rosé VDF	0.80 – 0.90	↑	2017	Merlot VDF	0.85 – 0.95	↑
				2017	Syrah / Grenache IGP	0.90 – 1.20	↑

2017 French Harvest Estimate by Acre (AGRESTE, 1 OCTOBER 2017, UNIT : 1,000 HECTOLITRES)					
REGION	5-YEAR AVERAGE	2016	2017	2017/16	2017/AVERAGE
Champagne	2,463	2,077	1,946	-6%	-21%
Bourgogne-Beaujolais	2,150	2,066	2,150	4%	0%
Alsace	1,088	1,230	861	-30%	-21%
Savoie	110	119	109	-9%	-1%
Jura	77	94	37	-61%	-52%
Val de Loire	2,455	2,113	2,288	8%	-7%
Charentes	8,321	7,830	6,917	-12%	-17%
Sud-Ouest	3,409	4,064	3,261	-20%	-4%
Bordelais	5,519	6,078	3,721	-45%	-33%
Languedoc-Rousillon	12,900	12,362	10,350	-16%	-20%
Corse	338	350	270	-23%	-20%
Sud-Est	5,448	5,799	4,507	-22%	-17%

It was another record-breaking year for ProWein, which took place in Düsseldorf on 18-20 March. In its 24th instalment, the show hosted more exhibitors (6,870) from more countries (64), and more trade visitors (60,000 from 133 countries), than ever before. According to ProWein's organizers, one in two visitors confirmed having found new suppliers at the show.

The Ciatti stand, situated in Hall 9, the international hall, was busy. As every year, discussion on the bulk side revolved around the latest availability of 2017 Northern Hemisphere wines and the situation with the ongoing Southern Hemisphere harvests.



Celebrating 20 years of Ciatti Europe

It was not all business though: Ciatti Europe celebrated its 20th birthday with a Champagne reception at the stand on the Monday afternoon, providing a chance for friends and clients to unwind together after another hectic day of networking. The Ciatti Europe office would like to thank all those who popped over to wish them happy birthday and join in the “bonhomie”.

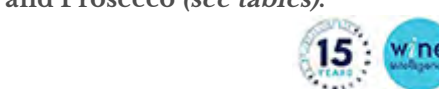
The latest trends in wine were dissected at the ‘Competence Centre’ over in Hall 13. “This is controversial stuff,” said Wine Intelligence’s Richard Halstead when delivering his presentation, boldly titled ‘The World of Wine in 15 Years’. “We are moving away from what I would describe as mainstream varietals. Chardonnay’s an interesting one to track: the incidence rate of Chardonnay consumption has fallen away in several countries. In 2017 it was the number three varietal in terms of reach in the UK, down from number one in 2007, and now behind Pinot Grigio and Sauvignon Blanc which are vying for top spot. You can see this in other markets as well.” In addition, there is the clear trend, in developed markets, for rosé and Prosecco (*see tables*).

Sauvignon Blanc in some markets such as the US is being especially powered by New Zealand: there are 20,497 hectares of Sauvignon Blanc in New Zealand, and the varietal makes up 86% of the country’s wine exports. Most of these hectares are in Marlborough on the South Island and, as James Goode explained at a New Zealand Winegrowers tasting in Hall 9, there is a great variety of soils and conditions within this appellation:

“Sub-regional styles are emerging, with more herbaceous and mineral styles from the Awatere Valley and the riper, tropical, more pungent style from the main Wairau Valley.” For point of difference, the future could be sub-appellation Marlborough Sauvignon Blanc.

Key Takeaways:

Sparkling, and Prosecco in particular, continuing growth trajectory



Prosecco consumption
% who have drunk prosecco in the past 12 months

	2007	2017
	3%	56%
	28%	48%
	3%	19%

See next page for more on ProWein Review.

While the tendency has been to focus, in developed markets, on millennial consumption, older drinkers are becoming increasingly important, Halstead continued: the OECD forecasts that a quarter of its population will be over 65 by 2050. Most people buying wine now are over the age of 50 and this will accentuate over the next 30 years. According to Wine Intelligence’s Vinitrac data, over 40% of wine drinkers in the US are now aged 55+; in Germany 22% of wine drinkers in 2017 were over the age of 65, up from 7% in 2007; in Australia it was 16%, up from 12%.

While annual worldwide wine consumption has held steady at 250 million hectolitres for the past 10-15 years, beneath that has been a shift in consumption from traditional wine drinking countries (within which there is a decline in high frequency drinking and a balancing of consumption by gender) to developing countries – the net effect on overall global consumption is zero. Within the rapid rise of imported wine consumption in China, the increase is fastest among women consumers: in 2011, the gender split for consumption in China was 66%-34% in favour of men; by 2017 this split had reduced to 51%-49%. The populations growing more populous at the fastest rate are those in Africa: in 2050 more babies will be born in Nigeria than in China. South African producers aside, who is selling into Africa?

Closer to home, on the California Wine Institute’s stand in Hall 9, Ray Johnson of Sonoma State University’s Wine Business Institute set out the hurdles California’s winemakers and wine brand owners are currently facing. These were: labor shortages; retailer, wholesale and distributor consolidation constraining route to market; the rising cost of grapes; the inelasticity of wine pricing on the shelf, making it difficult to boost margin by upping retail price; the increasing difficulty of putting in new vineyards from a public policy perspective; millennial interest in alternatives to wine such as spirits.

Key Takeways:
Rosé continues to grow and diversify



Rosé wine consumption

% who have drunk rosé wine in the past 12 months

	2007	2017
Germany:	25%	46% ↑
UK:	30%	48% ↑
US:	24%	32% ↑

Rosé wine consumption: US Gender split

% of all US regular wine drinkers who drink rosé wine at least once a week



As Ciatti’s California Report has been communicating, Johnson said winemakers are “finding ways to source and stretch their geography such that they can create a brand from a place where the grapes don’t cost as much”. Other solutions Johnson indicated were: increased selling via DTC channels – removing the distributor and retailer from the equation entirely – and more active brand-building in the retail channels (increasingly the retailers deem it incumbent on the product owner to do this rather than themselves); adding a higher-priced brand extension; and buying/controlling more vineyards to help avoid the open market’s high grape prices. Check out Ciatti’s new monthly California Report for an incisive drilldown on the Golden State’s wine market.

Following ProWein, the European show season moves on to Verona for Vinitaly, 15-18 April. Ciatti Europe’s Florian Ceschi will be in attendance: should you have any needs please feel free to contact Florian via cell phone, +33682763912, or email: florian@ciatti.fr.



Spain

Time on target



HARVEST WATCH: *Water reserves replenished; frost season negotiated*

La Mancha received significant precipitation in the form of rain and snow in March: the area's drought has been lifted and its ground water reserves replenished – this comes as a great relief to growers. March was cold, ensuring no premature bud-break: growers are confident the critical frost risk period has now passed.

Because of this news, prices in Spain on generic wines have stopped rising. Prices are stable on the reds and rosés, and potentially soft on the whites if attractive payment/loading terms are offered to the supplier. If prices on generics fall, they will fall quickest on the whites. With the market stabilised, buyers of generics have taken a wait-and-see stance and – if they have finished loading what they have already contracted – buying the odd truckload on a short to mid-term basis. Prices on any upper quality wines and varietal wines, meanwhile, will not fall: Spain is essentially sold out of 2017 international varietal wine.

Ciatti
Contact

Nicolas Pacouil
T. +33 4 67 913531
E. nicolas@ciatti.fr

Another potential downward pressure on Spain's generic prices is the 2018 South American harvests. Argentina, in particular, is competitive on the market again, with a good-sized crop that has not been heavily pre-contracted. It will be interesting to see if Argentina is aggressive on price as this would affect Spain's market – another reason buyers are holding off in Spain at the moment.

Spain's grape juice concentrate market is also stable, as the supply-demand dynamic is in balance: supply and demand are both moderate. The food and soft drink beverage industry will likely look to Argentina for more amenable GJC prices, with Spain remaining the GJC source for Europe's wine industry.

In short, Spain remains a reliable source of generic wines in volume, with prices steady and open to negotiation, particularly on the whites.

Key Takeaways

The market in Spain has quietened down on news of good conditions in La Mancha and solid harvests in Argentina and Chile. Buyers of generic wines are in a wait-and-see situation: will prices soften from April onward? Buyers who can offer attractive payment/loading terms can already benefit from softened pricing, particularly on whites.

Spain: Current Market Pricing (EUR per liter; Ex-Winery)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.55	-	0.65	↓	2017	Moscatel	0.70	-	0.80	↑
2017	White Blends (Higher Quality)	0.70	-	0.80	↔	2017	Generic Red	0.65	-	0.80	↑
2017	Sauvignon Blanc	0.90	-	1.00	↑	2017	Generic Red (Higher Quality)	0.75	-	1.00	↑
2017	Chardonnay	0.90	-	1.00	↑	2017	Cabernet Sauvignon	0.90	-	1.00	↑
2017	Generic Rosé	0.65	-	0.75	↔	2017	Merlot	0.90	-	1.00	↑
2017	Varietal Rosé	0.75	-	0.85	↔	2017	Syrah	0.85	-	1.00	↑

Italy

Time on target

HARVEST WATCH: *Snow and rain in the growing areas*

March brought cold temperatures and snow to Italy's growing regions together with rain, the rain continuing into April. With no premature bud-break, the vineyards have been spared damage; currently the conditions suggest a normal harvest could be in store this year unless Italy experiences an incredibly hot and dry summer for the second year in a row.

The market is stable: even if the speed of the delivery of some wines is slowing, the very small availability acts as a disincentive for producers to lower prices. The big buyers are covered but there is a suspicion that they will need to buy extra volume to cover themselves until the 2018 vintage is ready, though they are currently wary of coming back onto the market as a good-sized 2018 harvest could reduce prices.

The pressure on the Prosecco DOC market has eased off slightly after a very vigorous few months; prices have softened a little – approximately EUR240-250/hectolitre – but available volumes are very small. On Pinot Grigio, meanwhile, the new Pinot Grigio DOC delle Venezie has been bought by the big US buyers since December, but the large UK retailers are continuing to use the 2016 IGT from the north or the 2017 IGT from the south. Some companies remain afraid of buying the new DOC in bulk – without reason. The Pinot Grigio price is currently at EUR120-135/hectolitre.

Prices on generic whites are stable and there is low availability on the best quality sparkling base wines: the entry level is at EUR60-65/hectolitre ex-works from southern Italy, while the best quality sparkling base wines are at EUR75-85/hectolitre ex-works from the north. Entry level generic reds are at EUR65-75/hectolitre, with small volumes available; it is very difficult to find low alcohol wines. Sourcing of international varietal wines is limited to small volumes, perhaps 1-2 truckloads, due to constrained supply: Cabernet is scarce, Merlot and Chardonnay very difficult to find, so too Sauvignon Blanc. There are small volumes of Rossissimo available, priced stably at around EUR110/hectolitre.

Key Takeaways

Vineyards are in good condition and there is confidence the harvest will return to a normal size this year, unless Italy experiences a second successive incredibly dry summer. The market is stable, with demand good and availability low. Some companies remain afraid – without reason – of buying the new DOC delle Venezie Pinot Grigio in bulk; there are thus opportunities on this.

Ciatti Contact

Florian Ceschi
T. +33 4 67 913532
E. Florian@ciatti.fr

Italy: Current Market Pricing (EUR per liter; Ex-Winery)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2017	Generic White	0.60 – 0.80	↑	2017	Generic Red	0.65 – 0.75	↑
2017	Chardonnay	0.90 – 1.10	↑	2017	Cabernet Sauvignon	0.90 – 1.10	↑
2017	DOC Delle Venezie Pinot Grigio	1.25 – 1.45	↔	2017	Merlot	0.90 – 1.10	↑
2017	DOC Prosecco	2.90 – 3.20*	↑	2017	Primitivo / Zinfandel	1.20 – 1.40	↔
				2017	Chianti	2.00 – 2.25*	↑

**Bottled Price*

Chengdu Review

Immediately after ProWein, Ciatti jetted off to China for the China Food & Drink Fair, held at the newly built Chengdu Century City New International Convention & Exhibition Centre, 22-24 March. The centre boasts 16 halls over an area of 125,000sqm; this year some four of these were given over to wine. The fair hosted 2,905 exhibitors from 40 countries; Ciatti was situated in Hall 7 and, like last year, welcomed a mix of clientele to its stand, from buyers to importers to traders. Across its three days the fair attracted 221,000 visitors and Ciatti found the first two days particularly busy.

Those who last attended China Food & Drink several years ago found it transformed in the meantime: the show has become more professional, with a lot more Chinese wines being exhibited that taste average to good. The quality of wine from Chinese wineries is on the rise and Ciatti envisages it only getting better. High grade Chinese wines were evident, some rivalling the kind of standard set by Old and New World wineries, but western markets may not yet be ready to pay the high prices being asked.

In terms of imported wine, Chinese buyers are aware that prices have increased around the world due to the tighter supply situation. Case goods were again the focus of the majority of enquiries, with buyers seeking competitive pricing. Premium wines were of interest too, seeing good demand. French, Australian and Chilean wines continued to receive the most attention – US reds also received some attention despite the prospect of a 15% increase in the import tariffs China levies on these. These increased tariffs, in force as of 2 April, are unlikely to have a significant impact on US wine business with China, which is, anyway, limited and often at a price point at which tariffs – although high – will have limited deterrence (*see California page*).

Demand for red varietals (Shiraz, Cabernet, Merlot) and generic reds remains strong; the minimal level of requests for sweet whites continues. In regards to

French wines specifically, buyers were mainly after varietals or famous French AOPs such as Bordeaux, Côtes du Rhône, Languedoc etc. Also of interest was French Marsalan.

The global wine industry is well aware of the counterfeiting problem in China and indeed copycat labels were in plain sight at the show, with fake Australian and French labels on the stands of China-based companies. Penfolds, for example, has long faced intellectual property rights issues in China and news reports arose this month regarding 50,000 bottles of fake Penfolds being seized in central China, worth an estimated CNY18 million (USD2.8 million). Australia's wine body is tightening its regulations regarding the approval of labels on exported wine in order to fight this ongoing problem (*see Australia page*).

The stands at the fair – both of international wineries and domestic Chinese importers/wineries – continue to be large in size and innovative in how they attract attention, deploying loud music, elaborate decorations, super-sized TV screens, even Scottish bagpipes and – in one case – people dressed as characters from Transformers! In the wine halls no spare stands or empty spaces were in evidence – the show was fully packed.

An International Wine & Spirits Show (IWSS) – or 'Hotel fair' as it is more commonly known – is held at Chengdu's Shangri-La and Kempinski hotels prior to the main exhibition fair. Ciatti did not attend the IWSS, which is designed to allow exhibitors additional time and is more focused on labelled wines and beer.

A large majority of communication and business is performed via WeChat – the Chinese version of WhatsApp – which is essentially used as a business card. WeChat's capabilities go beyond WhatsApp in that it integrates a number of other applications, such as the ability to make payments.

All in all, China Food & Drink is becoming an increasingly important show for the global wine business as demand for imported wine from Chinese consumers continues to grow rapidly. According to Wine Australia, there were 48 million urban upper-middle class wine drinkers in China in 2016, up from 38 million in 2014 and 19 million in 2011.



South Africa

Time on target



HARVEST WATCH: *Drought has caused a shortfall, extent as yet unknown*

The 2018 harvest in the Western Cape is drawing to a close and, according to a SAWIS forecast in late March, is expected to be the smallest since 2005. The impact of the longstanding drought – water levels in Cape Town’s dams were at 21.2% of capacity as of 12 April – has been felt to varying extents in each growing area, with Olifants River most affected, Stellenbosch, Paarl and Swartland affected to a lesser degree, and the Robertson/Breede River areas affected less in turn.

At mid-harvest the shortfall was predicted at 15-20% but now, with a week of harvest to go and the official crop report not out until 8 May, nobody is predicting the extent of the shortfall. The drought has caused bunches to come in lighter, with berries ripening small and some withering. Reds and whites have struggled equally. It is likely the shortfall will be starkest among the varieties that come from higher-yielding vines, such as Colombard or Chenin Blanc, which go towards generics. Overall, the dry conditions have ensured good sanitation in the vineyards and the quality of the wine should be good.

The vineyards require water after harvest, and historically April in the Western Cape brings some rain, May more so – but not in the past two years. The Western Cape is currently experiencing the odd fall of rain but conditions remain extremely dry, with no prospect yet of any replenishment of the reservoirs. This is already raising some concern for the 2019 harvest. In addition, the drought situation and the economic impact of the resulting shortfall this harvest could dissuade growers in badly affected areas from proceeding with replantings, impacting on crop output longer term.

Rand pricing has remained stable in the past two months, but since November the Rand has trended stronger against the US dollar (from 14.00/dollar to 11.50+/dollar) and euro (from 16.95/euro to 14.25+/euro). The market in South Africa has been quiet in the past month as suppliers feel unable to provide offers. Requests from international buyers are coming in, but following big demand from buyers in November and December, many suppliers are fully contracted already and are waiting to see whether or not, with the crop shortfall, they will harvest enough volume to cover these contracts. Suppliers are also waiting to see how the market reacts after the outcome of the harvest is clearer.

Buyers need to be patient, including European buyers of Cinsaut rosé or Shiraz rosé – the Western Cape’s potential producers of these wish to finish the harvest first and see exactly how much of their crush they can allocate for rosé wine production instead of red. The strength of red wine pricing, and dramatically-increased domestic demand for red, has tempted producers away from rosé.

The buying campaign for 2017 wines is over, with no pockets of availability opening up as the large buyers continued to buy up 2017 wines when a shortfall on the 2018 harvest began to look likely.

South Africa’s domestic wine consumption has been steadily growing in recent years but growth could slow in 2018 due to a ZAR0.30 per litre increase in excise duty on wine to ZAR3.91/litre (from 21 February), a rise in VAT from 14% to 15% (from 1 April), and higher shelf prices (due to the increased wine and grape prices). What impact this will have on wine consumption in South Africa will become clearer later in the year. The increases in excise duty and VAT are part of a concerted effort by South Africa’s recently reshuffled cabinet, led by new president Cyril Ramaphosa, to boost tax revenues and reduce the country’s budget deficit.

See next page for more on South Africa.

Ciatti Contacts

Vic Gentis Petré Morkel
T. +27 21 880 2515 T. +27 82 33 88 123
E. vic@ciatti.fr E. petre@ciatti.co.za

Key Takeaways

Western Cape suppliers are waiting to see where the harvest ends up before providing offers as their product is heavily contracted already. The extent of the harvest shortfall remains unclear but it is likely that the high-yielding generic wines will be most noticeably reduced by the drought. Carryover stock from 2017 is essentially sold out.

South Africa: Current Market Pricing (SA Rand per liter, FOB Cape Town)							
Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Dry White	6.90 – 7.20	↑	2018	Generic Red	8.50 – 9.00	↑
2018	Chardonnay	9.50 – 10.50	↑	2018	Cabernet Sauvignon	10.00 – 12.50	↔
2018	Sauvignon Blanc	9.50 – 12.00	↔	2018	Ruby Cabernet	8.50 – 9.25	↑
2018	Chenin Blanc	7.25 – 7.50	↑	2018	Merlot	9.50 – 11.50	↔
2018	Colombard	7.10 – 7.30	↑	2018	Pinotage	9.00 – 9.50	↑
2018	Muscat	7.50 – 8.50	↔	2018	Shiraz	9.50 – 10.50	↑
2018	Generic Rosé	6.90 – 7.30	↑	2018	Cinsaut Rose	8.40 – 8.80	↑
2018	Cultivar Rosé	8.50 – 9.00	↔				

NB: pricing is directly related to remaining available stock and - due to the current short situation - can change without notice





Australia & New Zealand

Time on target



HARVEST WATCH: *Grape size, bunch weights down in Au; wet affecting NZ's crop*

Harvest in Australia's growing areas is almost complete as many finalize the last of their grape intake. Grape size and bunch weights are down, with many estimating an overall decrease in the 2018 crush by around 10% on the big 2017 crush. Demand from buyers for 2018 varietal reds is high as enquiries continue to stream in, many for large volumes as their existing suppliers have reduced stock levels. These enquiries come from both European and Chinese buyers. Many suppliers are tentative in submitting pricing or confirming availability as they wait for final stocks to be counted and allocated. Current red availability is very low and commanding high prices. Suppliers have been using generic red to push out their varietal volumes. As well as the reds, Chardonnay is also high in demand.

Dry weather over the past few months has caused concern as Australia has experienced its second-hottest summer on record (1.0°C above the long-term average), with temperatures still reaching 30°C+ in April. Any potential rainfall for the agricultural industry is expected to be late; farmers remain hopeful they will receive rain ahead of the winter season. The outlook for South Australia is very dry; New South Wales and Victoria look slightly better. La Niña climate patterns normally bring wet weather but the current La Niña has been weak. The Bureau of Meteorology is predicting a neutral outlook for the next three months – things could swing either way in regards to above or below average rainfall.

CHAMP and Constellation Brands have sold Accolade Wines to the Carlyle Group for AUD1billion. CHAMP owns 80% of Accolade, whilst Constellation is a 20% shareholder. The sale comes off the back of months of speculation as to who would have the final bid for the winery. The US-based Carlyle Group is a private equity giant which has grown into one of the world's largest and most successful investment firms, accumulating assets worth AUD195 billion. CHAMP originally purchased two separate divisions from Constellation Brands in 2011 for a purchase price of AUD290 million. The Accolade names includes a number of brands under its banner such as Hardy's, Arras, Leasingham, Banrock Station and most recently the Grant Burge winery and Fine Wine Partner business (Petaluma, St Hallett, Knappstein and Stonier).

New regulations have been enacted to protect the reputation of Australia's wine exports by maintaining the integrity of existing exporters and approving only ethical exporters. Wine Australia, the nation's wine body, has been granted broader powers to tackle those who do not comply. One of the new stipulations is that exporters are no longer able to export on behalf of other parties who are not themselves eligible to hold an export licence. The new rules are also intended to assist those whose labels have been the victim of counterfeiters.

*

Ongoing wet weather has continued to hamper the harvest in **New Zealand**. Original expectations were for a very large size crop of circa 460,000 tonnes; following continued rainfall and ongoing disease pressure, expectations are that the crush will be smaller than originally envisaged, but volumes are expected to be up on last year's. Many expect to see varying levels of

See next page for more on Australia & New Zealand.

quality come through, depending on when the grapes were harvested and the condition of these grapes when harvested.

The Marlborough wine region is forecasted to grow by 6,800 hectares by 2019/2020. Plans to increase the current vineyard area of 24,000 hectares by 28% are on track as many in the industry see land being purchased and new plantings being developed. The industry is confident the high US demand for its Sauvignon Blanc will continue to rise: New Zealand's wine imports into the US were valued at NZ\$579 million in 2017.

Key Takeaways

Demand from buyers for Australia's 2018 varietal reds is strong, with a high level of enquiries from Europe and China. Many suppliers are tentative in submitting pricing or confirming availability as they wait for final stocks to be counted and allocated: many estimate a decrease in the overall crush by 10% on 2017. Harvest in NZ has been hampered by ongoing wet weather; quality levels will vary.

Ciatti Contacts

Matt Tydeman
T. +61 8 8361 9600
E. matt@ciatti.com.au

Simone George
T. +61 8 8361 9600
E. simone@ciatti.com.au

Australia: Current Market Pricing (AUD/litre unless otherwise stated)							
Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Dry White	0.85 – 0.95	↑	NV	Dry Red	1.00 – 1.20	↑
2017	Chardonnay	0.95 – 1.05	↑	2017	Cabernet Sauvignon	1.35 – 1.55	↑
2017	Sauvignon Blanc	0.85 – 1.05	↔	2017	Merlot	1.30 – 1.50	↑
2017	NZ Marlborough SB	NZD 3.25 – 3.36	↓	2017	Shiraz	1.35 – 1.55	↑
2017	Pinot Gris	1.30 – 1.50	↔	2017	Muscat	0.75 – 0.90	↔
Price stated are indicative only; all offers subject to prior sale and subject to volume, drawdown and terms							
Indicative pricing for 2018 material below. Prices stated are indicative only, all offers subject to prior sale and subject to volume, availability, drawdown and terms							
2018	Chardonnay	1.05 – 1.20		2018	Cabernet Sauvignon	1.40 – 1.60	
2018	Merlot	1.35 – 1.55		2018	Shiraz	1.40 – 1.60	





Your Gateway to Bulk & Private Label Business

JULY 25-26, 2018

SOUTH SAN FRANCISCO CONFERENCE CENTER
SAN FRANCISCO, CA

REGISTER AT **IBWSSHOW.COM**

The International Bulk Wine and Spirits Show (IBWSS) is an annual trade show and conference, open to trade professionals only, which takes place in San Francisco and London. IBWSS exhibitors are wineries and distilleries looking to sell bulk wine and spirits, producers and negociants who offer contract manufacturing, private label programs and wineries, distilleries, importers who have one time excess stock to clear.

In addition to a wide range of programs running throughout the fair, the trade show will also feature a business conference dedicated to the private label and bulk wine and spirit business. With in-depth market studies and instructional seminars from some of the industry's biggest names, the central part of the conference's remit is to encourage sustainable growth and profitability in the bulk wine and spirit sector.

WHAT'S ON AT IBWSS

- Trade Floor
- Conference Sessions
- Workshops
- Masterclasses



+1 855 481 1112 (USA)

ibwsshow.com | info@ibwsshow.com



#IBWSS | @ibwsshow



/ibwsshow

brought to you by



BEVERAGE TRADE NETWORK

Export Pricing: USD per liter

Currency Conversion Rates as of April 13, 2018

Argentina (Pricing in bulk; FCA)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.45	-	0.55	↓	2017	Generic Red	0.62	-	0.70	↓
2017	Chardonnay	1.00	-	1.20	↓	2017	Cabernet Sauvignon	1.30	-	1.50	↓
2017	Torrontes	0.55	-	0.65	↓	2017	Syrah / Merlot	0.85	-	0.95	↓
2017	Tempranillo	0.85	-	0.95	↓	2017	Malbec	1.30	-	1.40	↓
2017	Bonarda	0.85	-	0.95	↓	2017	Malbec Premium	1.80	-	2.50	↓

Australia & New Zealand

AUD Rate: 0.786932 / NZD Rate: 0.735070

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.66	-	0.74	↑	NV	Dry Red	0.78	-	0.93	↑
2017	Chardonnay	0.74	-	0.82	↑	2017	Cabernet Sauvignon	1.05	-	1.20	↑
2017	Sauvignon Blanc	0.66	-	0.82	↔	2017	Merlot	1.01	-	1.16	↑
2017	NZ Marlborough SB	2.39	-	2.68	↓	2017	Shiraz	1.05	-	1.20	↑
2017	Pinot Gris	1.01	-	1.16	↔	2017	Muscat	0.58	-	0.70	↔

California (Pricing in bulk; FCA)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.85	-	0.99	↔	2017	Generic Red	0.85	-	1.05	↔
2017	Chardonnay	1.05	-	2.11	↑	2016/2017	Cabernet Sauvignon	1.05	-	2.11	↓
2017	Pinot Grigio	1.19	-	1.72	↔	2017	Merlot	1.05	-	1.58	↔
2017	Muscat	1.05	-	1.32	↔	2017	Pinot Noir	1.85	-	2.25	↑
2017	White Zinfandel	0.79	-	0.99	↔	2017	Syrah	1.10	-	1.58	↔
2017	Colombard	0.86	-	1.12	↔	2017	Cabernet	0.95	-	1.05	↔
						2016/2017	Zinfandel	1.15	-	2.11	↔

Chile (Pricing in bulk; FOB Chilean Port)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Generic White	0.70	-	0.85	↑	NV	Generic Red	0.70	-	0.85	↔
2018	Chardonnay	1.15	-	1.25	↔	2018	Cabernet Sauvignon (Basic)	1.10	-	1.20	↔
2018	Sauvignon Blanc	1.15	-	1.20	↔	2018	Cabernet Sauvignon (Varietal Plus)	1.25	-	1.35	↔
2018	Syrah	1.10	-	1.20	↔	2018	Merlot	1.15	-	1.25	↔
2018	Carmenere	1.30	-	1.45	↔	2018	Malbec (Basic)	1.25	-	1.40	↔
2018	Pinot Noir	1.25	-	1.40	↔	2018	Malbec (Varietal Plus)	1.60	-	2.00	↔

France (Pricing in bulk; Ex-Winery)										Rate: 1.233450	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.93	-	0.99	↑	2017	Generic Red	0.95	-	1.05	↑
2017	Chardonnay IGP	1.23	-	1.48	↔	2017	Cabernet Sauvignon IGP	1.17	-	1.60	↑
2017	Chardonnay VDF	1.17	-	1.30	↔	2017	Cabernet Sauvignon VDF	1.11	-	1.17	↑
2017	Sauvignon Blanc IGP	1.17	-	1.30	↔	2017	Merlot IGP	1.11	-	1.48	↑
2017	Sauvignon Blanc VDF	1.11	-	1.23	↔	2017	Merlot VDF	1.05	-	1.17	↑
2017	Generic Rosé IGP	1.11	-	1.36	↑	2017	Red Syrah / Grenache IGP	1.05	-	1.48	↑
2017	Generic Rosé VDF	0.99	-	1.11	↑	2017	Varietal Rosé IGP	1.17	-	1.85	↑

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.233450	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.74	-	0.99	↑	2017	Generic Red	0.80	-	0.93	↑
2017	Chardonnay	1.11	-	1.36	↑	2017	Cabernet Sauvignon	1.11	-	1.36	↑
2017	DOC Delle Venezie Pinot Grigio	1.54	-	1.79	↔	2017	Merlot	1.11	-	1.36	↑
2017	DOC Prosecco*	3.58	-	3.95	↑	2017	Primitivo / Zinfandel	1.48	-	1.73	↔
						2017	Chianti*	2.47	-	3.08	↑

**Bottled Price*

South Africa (Pricing in bulk; FOB Cape Town)										Rate: 0.082795	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.57	-	0.60	↑	2018	Generic Red	0.70	-	0.75	↑
2018	Chardonnay	0.79	-	0.87	↑	2018	Cabernet Sauvignon	0.83	-	1.03	↔
2018	Sauvignon Blanc	0.79	-	0.99	↔	2018	Ruby Cabernet	0.70	-	0.77	↑
2018	Chenin Blanc	0.60	-	0.62	↑	2018	Merlot	0.79	-	0.95	↔
2018	Colombard	0.58	-	0.60	↑	2018	Pinotage	0.75	-	0.79	↑
2018	Muscat	0.62	-	0.70	↔	2018	Shiraz	0.79	-	0.87	↑
2018	Generic Rosé	0.57	-	0.60	↑	2018	Cinsaut	0.70	-	0.73	↑
2018	Cultivar Rosé	0.70	-	0.75	↔						

Spain (Pricing in bulk; Ex-Winery)										Rate: 1.233450	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.68	-	0.80	↓	2017	Generic Red	0.80	-	0.99	↑
2017	White Blends (Higher Quality)	0.86	-	0.99	↔	2017	Generic Red (Higher Quality)	0.93	-	1.23	↑
2017	Sauvignon Blanc	1.11	-	1.23	↑	2017	Cabernet Sauvignon	1.11	-	1.23	↑
2017	Chardonnay	1.11	-	1.23	↑	2017	Merlot	1.11	-	1.23	↑
2017	Generic Rosé	0.80	-	0.93	↔	2017	Syrah	1.05	-	1.23	↑
2017	Varietal Rosé	0.93	-	1.05	↔						
2017	Moscatel	0.86	-	0.99	↑						

Contact Us

Argentina

Eduardo Conill
T. +54 261 420 3434
E. eduardo@ciatti.com.ar

Australia / New Zealand

Matt Tydeman
Simone George
T. +61 8 8361 9600
E. matt@ciatti.com.au
E. simone@ciatti.com.au

California – Import / Export

CEO – Greg Livengood
Steve Dorfman
T. +415 458-5150
E. greg@ciatti.com
E. steve@ciatti.com

California – Domestic

T. +415 458-5150
John Ciatti – john@ciatti.com
Glenn Proctor – glenn@ciatti.com
John White – johnw@ciatti.com
Chris Welch – chris@ciatti.com

John Fearless CO. Craft Hops & Provisions

CEO - Rob Bolch
Sales - Geoff Eiter
Purveyor of Quality Used Oak Barrels -
Raymond Willmers
T. + 1 800 288 5056
E. rob@johnfearless.com
E. geoff@johnfearless.com
E. raymond@johnfearless.com
www.johnfearless.com

Concentrate

John Ciatti
T. +415 458-5150
E. john@ciatti.com

Canada & US clients outside of California

Dennis Schrapp
T. 905/354-7878
E. dennis@ciatticanada.com

Chile

Marco Adam
T. +56 2 2363 9206 or
T. +56 2 2363 9207
E. madam@ciattichile.cl

China / Asia Pacific

Simone George
T. +61 8 8361 9600
E. simone@ciatti.com.au

France / Italy

Florian Ceschi
T. +33 4 67 913532
E. Florian@ciatti.fr

Germany

Christian Jungbluth
T. +49 6531 9734 555
E. christian@ciatti.biz

Spain

Nicolas Pacouil
T. +33 4 67 913531
E. nicolas@ciatti.fr

UK / Scandinavia / Holland

Catherine Mendoza
T. +33 4 67 913533
E. catherine@ciatti.fr

South Africa

Vic Gentis
T. +27 21 880 2515
E. vic@ciatti.fr

-or-

Petré Morkel
T. +27 82 33 88 123
E. petre@ciatti.co.za

*To sign up to receive the monthly
Global Market Report, please email
info@ciatti.com*